

CITY OF PAOLA

Paola, Kansas

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2014

CITY OF PAOLA, KANSAS

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Paola, Kansas
Paola, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Paola, Kansas, as of and for the year ended December 31, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Paola, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Paola, Kansas as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Paola, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated June 17, 2015. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
June 17, 2015

City of Paola, Kansas

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2014**

	Beginning Unencumbered Cash Balances	Receipts
General Fund	\$ 769,924	\$ 3,784,413
Special Purpose Funds		
Library	48,686	271,807
Employee Benefit	542,447	1,154,783
Family Aquatics Center	213,637	240,900
Community Center	31,006	117,940
Storm Water Management	202,545	82,563
Special Park and Recreation	19,716	13,982
Street Repair/Special Highway	49,625	144,935
Transient Guest Tax	88,357	32,428
Special Law Enforcement Account	1,864	7,407
Family Aquatics Center Equipment Reserve	1,195,149	3,552
Escrow Proceeds	0	68,700
Mennenoah Cemetery	37,068	119
Special Grants Fund	12,681	14,790
Drug Enforcement Account	949	1,706
Library Genealogy	2,262	0
	<u>2,445,992</u>	<u>2,153,906</u>
Debt Service Funds		
Bond and Interest	<u>153,090</u>	<u>2,014,822</u>
Capital Projects Funds		
Waste Water Treatment Plant Construction	772,729	2,471
Equipment Replacement	40,398	2,393
Capital Projects Fund	<u>2,432,015</u>	<u>2,237,355</u>
	<u>3,245,142</u>	<u>2,242,219</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 3,784,021	\$ 770,316	\$ 150,852	\$ 921,168
278,039	42,454	15,510	57,964
1,076,663	620,567	14,080	634,645
231,904	222,633	3,998	226,631
105,213	43,733	4,499	48,232
136,278	148,830	2,855	151,685
6,000	27,698	0	27,698
140,265	54,295	595	54,890
29,671	91,114	0	91,114
4,509	4,762	0	4,762
302,022	896,679	0	896,679
67,750	950	0	950
0	37,187	0	37,187
11,955	15,516	0	15,516
832	1,823	0	1,823
2,262	0	0	0
<u>2,390,269</u>	<u>2,206,418</u>	<u>41,537</u>	<u>2,249,776</u>
<u>2,011,794</u>	<u>156,118</u>	<u>0</u>	<u>156,118</u>
0	775,200	0	775,200
5,548	37,243	0	37,243
<u>3,905,660</u>	<u>763,710</u>	<u>0</u>	<u>763,710</u>
<u>3,911,208</u>	<u>1,576,153</u>	<u>0</u>	<u>1,576,153</u>

City of Paola, Kansas

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2014**

	<u>Beginning Unencumbered Cash Balances</u>	<u>Receipts</u>
Business Funds		
Water Utility		
Operating	\$ 161,559	\$ 1,852,271
Water Treatment Plant	267,864	856
Sewer Service		
Operating	173,272	737,426
Sewer Line Replacement	160,628	7,521
Wastewater Treatment Plant	663,194	430,903
Health and Sanitation	<u>22,900</u>	<u>338,321</u>
	<u>1,449,417</u>	<u>3,367,298</u>
	<u>\$ 8,063,565</u>	<u>\$ 13,562,658</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 1,917,216	\$ 96,614	\$ 9,840	\$ 106,454
0	268,720	0	268,720
731,067	179,631	20,632	200,263
0	168,149	0	168,149
569,013	525,084	5,321	530,405
332,971	28,250	26,874	55,124
<u>3,550,267</u>	<u>1,266,448</u>	<u>62,667</u>	<u>1,329,115</u>
\$ <u>15,647,559</u>	\$ <u>5,975,453</u>	\$ <u>104,204</u>	\$ <u>6,232,330</u>

Cash balance consisting of

Balance on deposit

Checking, money market accounts & petty cash \$ 2,003,906

Certificates of deposit 4,250,000Total cash 6,253,906Agency Funds Per Schedule 3 (21,576)Total cash (excluding agency funds) \$ 6,232,330

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Paola is a municipal corporation governed by a mayor/council/manager form of government. These financial statements present the government and its related municipal entities, entities for which the government is considered to be financially accountable.

Related Municipal Entities

The Paola Free Library is governed by a board appointed by the City Council. The Library's budget and its expenditures and contractual arrangements, are approved by the City council. The Library has been included in the accompanying financial statements as a special purpose fund of the primary government.

Other Entities

The Paola Housing Authority has been omitted from the accompanying financial statements. The Paola Housing Authority Board is appointed by the City Council and oversees the operations of the Housing Authority. The financial statements of the Housing Authority are audited annually as of the Authority's fiscal year end (March 31). Those financial statements are issued separately, and may be obtained at City Hall.

The City entered into a joint venture with the City of Louisburg for the purpose of developing a public utility to treat and disburse water to the two cities. The water treatment plant has been completed and is in operation. Both Cities provide labor, supplies and administrative costs to the operation for which both are reimbursed.

The Public Building Commission activity is included in these financial records as part of the City's activity. There is no separate accounting by the Public Building Commission of its activity.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE B. REGULATORY BASIS FUND TYPES - continued

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any funds of this type.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, City tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Paola, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits -- Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE D. BUDGETARY INFORMATION - continued

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds and capital project funds:

Special Law Enforcement	Special Grants	Wastewater Treatment Plant Construction
Family Aquatics Center Equipment	Drug Enforcement Account	Equipment Replacement
Escrow	Library Genealogy	
Mennenoah Cemetery	Capital Projects	

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City or in an adjoining City if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2014.

At December 31, 2014, the carrying amount of the City's bank deposits was \$6,253,906 (which includes petty cash funds) and the bank balance was \$6,267,420. The bank balance was held by four banks resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$775,629 was covered by federal depository insurance, and \$5,491,791 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE F. LONG-TERM DEBT

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
General obligation bonds:				
Series 2006 B	3.65-5.0	11/15/06	325,000	09/01/17
Series 2007 A	4.0-4.5	12/01/07	2,840,000	12/01/26
Series 2007	4.0-4.375	12/01/07	3,750,000	12/01/26
Series 2008	3.25-4.25	09/25/08	3,660,000	05/01/21
Series 2012	2.00-2.125	11/01/12	2,055,000	11/01/21
Refunding Series 2012	2.00-3.20	09/01/12	7,525,000	09/01/31
Series 2014	2.00-3.00	10/06/14	2,485,000	09/01/25

Capital leases:

Fire Heavy Rescue Vehicle	4.68	07/11/07	231,500	07/11/17
Street Sweeper	3.49	11/18/10	115,000	11/01/14

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:						
Series 2006 B	150,000	0	35,000	(35,000)	115,000	5,668
Series 2007 A	2,610,000	0	2,450,000	(2,450,000)	160,000	111,809
Series 2007	2,630,000	0	245,000	(245,000)	2,385,000	110,862
Series 2008	2,085,000	0	340,000	(340,000)	1,745,000	79,910
Series 2012	1,720,000	0	200,000	(200,000)	1,520,000	34,688
Refunding Series 2012	7,175,000	0	565,000	(565,000)	6,610,000	188,857
Series 2014	0	2,485,000	0	2,485,000	2,485,000	0

Total bonds	\$ 16,370,000	\$ 2,485,000	\$ 3,835,000	\$ (1,350,000)	\$ 15,020,000	\$ 531,794
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	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital leases:						
Fire Heavy Rescue Vehicle	\$ 105,461	\$ 0	\$ 24,587	\$ (24,587)	\$ 80,874	\$ 4,936
Street Sweeper	30,013	0	30,013	(30,013)	0	1,047
Total for leases	135,474	0	54,600	(54,600)	80,874	5,983
Total for all debt	\$ 16,505,474	\$ 2,485,000	\$ 3,889,600	\$ (1,404,600)	\$ 15,100,874	\$ 537,777

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE F. LONG-TERM DEBT – continued

	Year				
	2015	2016	2017	2018	2,019
Principal:					
Bonds	\$ 1,600,000	\$ 1,465,000	\$ 1,505,000	\$ 1,480,000	1,275,000
Capital Leases	25,737	26,935	28,202	0	0
	<u>1,625,737</u>	<u>1,491,935</u>	<u>1,533,202</u>	<u>1,480,000</u>	<u>1,275,000</u>
Interest:					
Bonds	448,866	408,002	362,233	315,617	262,000
Capital Leases	3,785	2,588	1,319	0	0
	<u>452,651</u>	<u>410,590</u>	<u>363,552</u>	<u>315,617</u>	<u>262,000</u>
Total Principal & Interest	\$ <u>2,078,388</u>	\$ <u>1,902,525</u>	\$ <u>1,896,754</u>	\$ <u>1,795,617</u>	<u>1,537,000</u>

	Year			
	2020-2024	2025-2029	2030-2034	Total
Principal:				
Bonds	\$ 4,485,000	\$ 2,250,000	\$ 960,000	\$ 15,020,000
Capital Leases	0	0	0	80,874
	<u>4,485,000</u>	<u>2,250,000</u>	<u>960,000</u>	<u>15,100,874</u>
Interest:				
Bonds	674,436	405,888	90,620	2,967,662
Capital Leases	0	0	0	7,692
	<u>674,436</u>	<u>405,888</u>	<u>90,620</u>	<u>2,975,354</u>
Total Principal & Interest	\$ <u>5,159,436</u>	\$ <u>2,655,888</u>	\$ <u>1,050,620</u>	\$ <u>18,076,228</u>

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2014, the statutory limit for the City was \$13,639,370 providing a debt margin of \$7,714,370 after removing debt exempt from the limitation.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Bond and Interest	12-825d	\$ 50,000
General	Community Center	12-1118	78,000
General	Employee Benefit	12-1118	361,500
General	Capital Projects	12-1118	21,000
Library	Employee Benefit	12-1118	45,000
Family Aquatics Center	Employee Benefit	12-1118	43,000
Community Center	Employee Benefit	12-1118	10,500
Storm Water Management	Employee Benefit	12-1118	9,000
Storm Water Management	Bond and Interest	12-825d	20,000
Family Aquatics Center Equipment Reserve	Family Aquatics Center	12-1118	150,000
Library Geneology	Special Grant Fund	12-1118	2,246
Capital Projects	Bond and Interest	12-1118	1,010,390
Water Utility	Employee Benefit	12-1118	129,250
Sewer Service	Employee Benefit	12-1118	146,830
Sewer Service	Capital Projects	12-1118	12,500
Sewer Service	Sewer Line Replacement	12-1118	7,000
Waste Water Treatment Plant	Bond and Interest	12-825d	399,457
Waste Water Treatment Plant	Employee Benefit	12-1118	16,000
Waste Water Treatment Plant	Sewer Service	12-1118	30,000
Waste Water Treatment Plant	Capital Projects	12-1118	25,000
Health & Sanitation	Employee Benefit	12-1118	6,250
Street repair	Employee Benefit	12-1118	4,820
			<u>\$ 2,577,743</u>

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits:

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All employees of the City working 20 or more hours per week are eligible to participate in the plan beginning the first day of a pay period following coincidental with an employee's satisfaction of eligibility requirements of any Optional Benefit Plan. Each participant may elect to reduce his or her salary, subject to the limitations of the Individual Optional Benefit plans, to purchase benefits offered through the Plan. All benefits offered through the plan involve insurance coverage, dependent care reimbursements and health expense reimbursements.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARATIONS - continued

Compensated Absences:

Vacation Pay - Full-time employees are entitled to paid vacation leave time according to one of the following schedules:

- (a) Full-time employees hired prior to January 1, 1992:

The employee shall be credited with ninety-six (96) hours for each year for up to ten (10) years. Employees with more than ten (10) years of service shall be entitled to eight (8) additional hours for each year of service longer than ten (10) years.

Full-time employees hired after January 1, 1992:

Years of Continuous Employment:	0 to 5	5 to 10	10 to 15	over 15
Hours earned per bi-weekly pay period:	3.6923	4.6153	5.5384	6.4615

- (b) New employees shall be awarded vacation time beginning on the first day of the month following (30) days of employment.
- (c) Employees may accumulate vacation leave time up to the maximum of two hundred (200) hours. An employee shall not earn additional vacation leave during any time period that the employee maintains the two hundred (200) hours maximum accumulation.
- (d) Off-duty employees on a leave of absence without pay for more than seven (7) working days in any one (1) calendar month shall not be eligible for earning vacation time during such month.
- (e) Vacation schedules are established by the Department Heads. Vacation time shall be reported as prescribed by the Human Resources Director and shall be taken as follows:

Employees who work 8 hour days	Increments of four (4) hours
Employees who work 10 hour days	Increments of five (5) hours

- (f) Bonus personal time shall be rewarded to employees not using sick leave as prescribed by the following schedule:

Hours of Sick Leave Used	Personal Hours Awarded
0 – 3	24
4 – 8	16
9 – 16	8
17 or more	0

To qualify for bonus personal time, an employee must have been employed by the City for the entire calendar year. Bonus personal time is awarded in the first pay period of the calendar year and must be used prior to the end of the calendar year that it is awarded or it shall be cancelled without any payment due to the employee. Bonus personal time may be taken in 1 hour increments.

- (g) Employees shall receive payment for unused vacation time upon voluntary or involuntary termination of employment. As of December 31, 2014, the unused vacation time represented a potential liability to the City in the amount of \$148,965.

Sick Pay - Full-time employees may accumulate up to 180 days of sick leave. Twenty-five percent (25%) of unused sick leave will be paid upon termination of employment if in good standing. At December 31, 2014 City employees had accumulated 2,716 sick leave days, representing a potential liability to the City of \$138,819 if paid upon termination. There is no accrual for vacation or sick leave in these financial statements. The City budgeted \$50,000 for expense in 2014 relating to this liability.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description - The City of Paola, Kansas participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy - KSA 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

Net Pension Liability - The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the Municipality's proportionate share of the net pension liability as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality. Management is not aware of any violations of Kansas Statutes.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE K. OTHER INFORMATION - continued

Reimbursements: The City of Paola records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenues to the fund receiving the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursement.

Comparative Prior Year Amounts: The 2013 actual amounts presented in the financial statements have been taken from the audit report for the year ended December 31, 2013 and are presented for comparative purposes only. Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Special assessments: Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

Use of Estimates: The preparation of financial statements in conformity with cash basis and budget basis of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE L SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through June 17, 2015, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Paola, Kansas

Schedule 1

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(Budgeted Funds Only)
For the Year Ended December 31, 2014**

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 4,159,430	\$ 0	\$ 4,159,430	\$ 3,784,021	\$ (375,409)
Special Purpose Funds					
Library	311,188	0	311,188	278,039	(33,149)
Employee Benefit	1,588,808	0	1,588,808	1,076,663	(512,145)
Family Aquatics Center	426,073	0	426,073	231,904	(194,169)
Community Center	137,212	0	137,212	105,213	(31,999)
Storm Water Management	250,158	0	250,158	136,278	(113,880)
Special Park and Recreation	27,309	0	27,309	6,000	(21,309)
Street Repair/Special Highway	186,936	0	186,936	140,265	(46,671)
Transient Guest Tax	116,967	0	116,967	29,671	(87,296)
Debt Service Funds					
Bond and Interest	2,210,299	0	2,210,299	2,011,794	(198,505)
Business Funds					
Water Utility					
Operating	2,412,343	0	2,412,343	1,917,216	(495,127)
Water Treatment Plant	270,017	0	270,017	0	(270,017)
Sewer Service					
Operating	873,767	0	873,767	731,067	(142,700)
Sewer Line Replacement	168,219	0	168,219	0	(168,219)
Wastewater Treatment Plant	1,078,712	0	1,078,712	569,013	(509,699)
Health and Sanitation					
Operating	368,604	0	368,604	332,971	(35,633)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Cash receipts				
Taxes				
Ad valorem property tax	\$ 1,120,204	\$ 1,123,832	\$ 1,100,000	\$ 23,832
Back tax collections	26,949	47,056	25,000	22,056
Motor vehicle tax	114,609	121,592	110,427	11,165
City sales tax	691,169	721,368	685,000	36,368
County sales tax	486,862	548,410	470,000	78,410
Sales tax	1,551	1,659	1,000	659
In lieu of taxes	19,858	19,717	21,000	(1,283)
	<u>2,461,202</u>	<u>2,583,634</u>	<u>2,412,427</u>	<u>171,207</u>
Intergovernmental				
Liquor	10,986	13,913	12,750	1,163
Grants	28,254	52,069	28,000	24,069
Community fisheries program	6,489	6,489	6,400	89
	<u>45,729</u>	<u>72,471</u>	<u>47,150</u>	<u>25,321</u>
Licenses, fees and permits				
Franchise tax	498,977	471,546	435,000	36,546
Pet licenses	575	741	800	(59)
General licenses	26,175	29,660	25,000	4,660
Lake permits	32,803	39,074	27,500	11,574
Zoning/planning	4,550	1,010	1,000	10
Building permits	66,749	66,041	35,000	31,041
	<u>629,829</u>	<u>608,072</u>	<u>524,300</u>	<u>83,772</u>
Charges for services				
Rural fire	52,996	61,038	70,000	(8,962)
Fines, forfeitures, penalties				
Fines and fees	279,829	239,622	300,000	(60,378)
Court costs	79,040	63,341	85,000	(21,659)
Credit card transaction fees	1,680	1,540	2,000	(460)
	<u>360,549</u>	<u>304,503</u>	<u>387,000</u>	<u>(82,497)</u>
Use of money and property				
Rentals	36,000	37,721	31,000	6,721
Cemetery	11,730	12,880	15,000	(2,120)
Interest on investments	15,581	13,152	14,000	(848)
	<u>63,311</u>	<u>63,753</u>	<u>60,000</u>	<u>3,753</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Cash receipts - continued				
Other				
Reimbursed expense	\$ 70,676	\$ 55,636	\$ 45,000	\$ (20,220)
Reimbursed NSF Checks	12,357	10,526	15,000	(4,474)
Miscellaneous	4,635	24,780	23,000	1,780
	<u>87,668</u>	<u>90,942</u>	<u>83,000</u>	<u>(22,914)</u>
Total cash receipts	<u>3,701,284</u>	<u>3,784,413</u>	<u>\$ 3,583,877</u>	<u>\$ 169,680</u>
Expenditures				
Administration				
Full time salaries	122,315	126,130	\$ 122,000	\$ 4,130
Part time help	6,808	12,010	9,000	3,010
Overtime	621	86	0	86
Other personal services	2,484	2,512	2,500	12
Legal service	9,400	15,850	20,000	(4,150)
Telephone	4,065	4,793	4,000	793
Credit card transaction fees	1,837	2,186	2,000	186
Training, travel and dues	9,784	7,491	9,000	(1,509)
Printing	1,264	729	1,000	(271)
Advertising	1,305	1,039	500	539
Insurance	11,554	10,212	14,000	(3,788)
Utility charges	9,175	9,001	11,000	(1,999)
Other services	33,867	40,640	35,000	5,640
Civil defense sirens	1,689	4,201	5,000	(799)
Street lights	142,829	142,196	140,000	2,196
Economic development dues	7,500	3,750	7,500	(3,750)
Chamber of commerce dues	15,000	5,000	5,000	0
General office supplies	5,733	7,813	6,500	1,313
Postage	4,355	3,826	5,000	(1,174)
Gifts and memorials	273	390	250	140
Operational supplies	8,247	2,298	7,500	(5,202)
Consumables	11	0	0	0
Building and maintenance supplies	792	960	2,000	(1,040)
Cleaning supplies	658	779	1,000	(221)
Other operational supplies	77	107	100	7
Non sufficient funds checks	10,644	10,664	15,000	(4,336)
Miscellaneous	109	771	3,000	(2,229)
Computer equip. & software	204	1,282	2,000	(718)
Refunds	0	141	500	(359)
Sales tax	1,324	1,643	1,000	643
	<u>413,924</u>	<u>418,500</u>	<u>431,350</u>	<u>(12,850)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

Expenditures - continued	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Police department				
Full time salaries	\$ 931,847	\$ 977,321	\$ 968,000	\$ 9,321
Part time help	15,094	14,210	14,000	210
Overtime	47,084	53,703	40,000	13,703
Holiday overtime	35,490	34,953	34,000	953
Legal services	600	100	500	(400)
Communications equipment	1,710	1,924	2,000	(76)
Telephone	12,389	14,561	13,500	1,061
Training, travel and dues	16,308	18,480	19,000	(520)
Advertising	1,026	124	500	(376)
Insurance	18,327	20,273	20,500	(227)
Lease payments	23,964	29,383	30,000	(617)
Animal care	17,265	16,741	15,000	1,741
Utilities	25,021	26,325	24,000	2,325
Other services	20,811	20,234	23,000	(2,766)
Office supplies	5,712	2,843	5,000	(2,157)
Postage	1,707	2,736	2,500	236
Gifts and memorials	0	160	0	160
Operational supplies	11,770	9,971	12,000	(2,029)
DARE supplies	1,788	1,659	1,500	159
Vehicle maintenance	16,108	21,632	12,000	9,632
Equipment maintenance	4,481	6,314	4,000	2,314
Building maintenance	7,917	12,823	11,000	1,823
Cleaning supplies	2,293	2,122	2,300	(178)
Motor fuel and lubrication	41,605	38,643	40,000	(1,357)
Uniforms	8,970	7,859	9,000	(1,141)
Enforcement equip. & supplies	12,828	10,208	14,500	(4,292)
Non Sufficient Funds Checks	0	0	500	(500)
Miscellaneous supplies	64	253	2,000	(1,747)
Office equipment	220	1,305	1,000	305
Computer equip. & software	10,130	28,745	25,000	3,745
Equipment, bldg. & grounds	2,440	0	2,000	(2,000)
Motor vehicles	240	2,000	2,000	0
Refunds	0	160	0	160
	<u>1,295,209</u>	<u>1,377,765</u>	<u>1,350,300</u>	<u>27,465</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013	2014		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Fire department				
Full time salaries	\$ 124,810	\$ 136,544	\$ 148,000	\$ (11,456)
Part time help	5,040	5,766	5,000	766
Telephone	1,582	1,836	2,000	(164)
Travel, dues and tags	2,779	4,610	8,000	(3,390)
Insurance	15,031	16,279	17,000	(721)
Lease payments	29,522	29,522	29,522	0
Utilities	17,324	17,537	20,000	(2,463)
Other contractual	7,562	8,788	7,000	1,788
General office supplies	694	607	850	(243)
Postage	100	14	100	(86)
Gifts/memorials	599	73	300	(227)
Operational supplies	11,789	11,892	10,000	1,892
Vehicle maintenance	6,380	11,881	6,000	5,881
Equipment maintenance	4,778	5,226	6,000	(774)
Comm. equip. & maint.	6,944	3,134	7,000	(3,866)
Building maintenance	12,337	7,977	8,600	(623)
Cleaning supplies	307	768	1,000	(232)
Motor fuel and lubrication	2,114	1,387	4,000	(2,613)
Rural fuel	2,147	2,517	4,000	(1,483)
Uniforms	3,519	4,106	4,000	106
Protective clothing	7,426	11,606	10,000	1,606
Miscellaneous	0	132	0	132
Computer equip. & software	2,543	2,862	4,000	(1,138)
	<u>265,327</u>	<u>285,064</u>	<u>302,372</u>	<u>(17,308)</u>
Municipal court				
Full time salaries	33,073	35,035	34,000	1,035
Part time help	30,600	30,953	31,700	(747)
Overtime	783	63	200	(137)
Legal services	82,815	92,755	90,000	2,755
Training, travel and dues	143	175	1,000	(825)
Prisoner care	14,760	29,978	17,000	12,978
Other contract	6,913	16,502	25,000	(8,498)
Office supplies	1,607	1,752	2,000	(248)
Non Sufficient Funds	3,006	735	500	235
Postage	418	80	1,200	(1,120)
Operational supplies	13,981	394	2,000	(1,606)
Computer equip. & software	2,230	1,037	1,000	37
Refunds	113	0	0	0
	<u>190,442</u>	<u>209,459</u>	<u>205,600</u>	<u>3,859</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

**GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Expenditures - continued				
Street department				
Full time salaries	\$ 214,458	\$ 173,159	\$ 214,000	\$ (40,841)
Part time help	5,858	5,343	5,000	343
Overtime	1,585	2,819	4,000	(1,181)
Telephone	1,982	2,136	2,200	(64)
Training, travel, dues	842	331	1,000	(669)
Advertising	150	64	500	(436)
Insurance	7,433	10,238	8,250	1,988
Lease payments	15,976	32,476	30,500	1,976
Utility charges	15,952	17,947	15,000	2,947
Other services	4,144	4,314	4,500	(186)
Tree care	5,000	5,100	5,000	100
General office supplies	641	338	1,000	(662)
Operational supplies	24,957	14,401	25,000	(10,599)
Vehicle maintenance	3,484	4,315	5,000	(685)
Snow/Ice Control	14,170	24,539	15,000	9,539
Equipment maintenance	27,114	23,706	27,500	(3,794)
Traffic	5,354	3,985	5,000	(1,015)
Building maintenance	1,658	601	4,000	(3,399)
Construction material	21,193	14,444	18,500	(4,056)
Motor fuel and lubrication	37,177	27,144	35,000	(7,856)
Uniforms	5,182	4,128	4,000	128
Miscellaneous supplies	83	26	300	(274)
Office equipment furniture	1,000	1,000	1,000	0
Computer equipment/ software	1,000	1,000	1,000	0
Motor vehicle/equipment	10,000	18,500	18,500	0
Miscellaneous capital items	80,000	60,339	80,000	(19,661)
	<u>506,393</u>	<u>452,393</u>	<u>530,750</u>	<u>(78,357)</u>
Park and recreation				
Full time salaries	148,806	143,448	163,000	(19,552)
Part time help	15,927	19,739	20,000	(261)
Overtime	1,593	517	1,500	(983)
Telephone	1,717	2,059	2,000	59
Training, travel and dues	653	423	1,000	(577)
Advertising	480	369	1,000	(631)
Insurance	5,753	7,363	6,600	763
Lease payments	600	1,200	1,200	0
Utility charges	35,496	37,934	32,000	5,934
Other services	13,746	28,196	7,500	20,696

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Expenditures - continued				
Park and recreation - continued				
Tree care	\$ 4,550	\$ 2,100	\$ 5,000	\$ (2,900)
General office supplies	216	229	300	(71)
Operational supplies	7,668	10,884	10,000	884
Chemicals and fertilizer	1,384	1,933	3,000	(1,067)
Plant materials	3,632	1,984	3,000	(1,016)
Consumables	2,134	780	1,500	(720)
Vehicle maintenance	721	1,501	4,000	(2,499)
Equipment maintenance	7,434	6,756	8,000	(1,244)
Building maintenance	1,127	5,117	5,000	117
Construction material	0	1,778	2,500	(722)
Motor fuel and lubrication	18,853	14,782	18,000	(3,218)
Uniforms	1,842	1,181	2,000	(819)
Equipment/building & grounds	13,749	1,432	16,000	(14,568)
	<u>288,081</u>	<u>291,705</u>	<u>314,100</u>	<u>(22,395)</u>
 Cemetery				
Full time salaries	47,651	49,924	49,500	424
Part time help	0	0	500	(500)
Overtime	2,095	2,576	2,500	76
Training, travel and dues	50	0	250	(250)
Advertising	48	0	50	(50)
Insurance	414	584	500	84
Lease payments	600	1,200	1,200	0
General office supplies	37	0	0	0
Operational supplies	624	431	2,500	(2,069)
Vehicle maintenance	431	0	500	(500)
Equipment maintenance	284	650	1,500	(850)
Building maintenance	0	0	250	(250)
Motor fuel and lube	3,195	3,279	3,500	(221)
Uniforms	356	355	500	(145)
	<u>55,785</u>	<u>58,999</u>	<u>63,250</u>	<u>(4,251)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Community development				
Full time salaries	\$ 146,902	\$ 155,707	\$ 158,000	\$ (2,293)
Part time help	0	0	2,000	(2,000)
Overtime	91	0	350	(350)
Professional services	5,600	3,452	4,000	(548)
Legal services	0	0	2,000	(2,000)
Telephone	2,637	2,887	3,500	(613)
Training, travel and dues	1,688	2,661	3,000	(339)
Legal printing	167	189	750	(561)
Advertising	0	174	0	174
Insurance	521	1,214	600	614
Other Contractual	9,419	6,404	6,000	404
General office supplies	1,828	2,809	2,500	309
Postage	80	198	0	198
Operational supplies	3,163	1,952	2,000	(48)
Vehicle maintenance	264	459	1,500	(1,041)
Building maintenance	75	0	500	(500)
Motor fuel and lubrication	1,423	1,530	2,000	(470)
Computer equipment & software	65	0	500	(500)
Refunds	23	0	200	(200)
	<u>173,946</u>	<u>179,636</u>	<u>189,400</u>	<u>(9,764)</u>
Operating transfers	479,581	510,500	504,500	6,000
Appropriated reserve	<u>0</u>	<u>0</u>	<u>267,808</u>	<u>(267,808)</u>
Total expenditures and transfers subject to budget	<u>3,668,688</u>	<u>3,784,021</u>	<u>\$ 4,159,430</u>	<u>\$ (375,409)</u>
Receipts over (under) expenditures	32,596	392		
Unencumbered cash, January 1	<u>737,328</u>	<u>769,924</u>		
Unencumbered cash, December 31	<u>\$ 769,924</u>	<u>\$ 770,316</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND - 02
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Taxes				
Ad valorem property tax	\$ 207,674	\$ 208,032	\$ 203,600	\$ 4,432
Back tax collections	5,086	8,826	5,500	3,326
Motor vehicle tax	21,667	22,631	20,469	2,162
In lieu of tax	887	664	800	(136)
	<u>235,314</u>	<u>240,153</u>	<u>230,369</u>	<u>9,784</u>
Intergovernmental				
State aid and grants	<u>23,459</u>	<u>23,837</u>	<u>23,500</u>	<u>337</u>
Use of money and property				
Interest on investments	<u>416</u>	<u>371</u>	<u>350</u>	<u>21</u>
Fines and fees	<u>4,360</u>	<u>4,622</u>	<u>4,800</u>	<u>(178)</u>
Other				
Miscellaneous	<u>2,931</u>	<u>2,824</u>	<u>2,700</u>	<u>124</u>
	<u>2,931</u>	<u>2,824</u>	<u>2,700</u>	<u>124</u>
Total cash receipts	<u>266,480</u>	<u>271,807</u>	<u>\$ 261,719</u>	<u>\$ 10,088</u>
Expenditures				
Regular salaries	68,816	81,266	\$ 81,500	\$ (234)
Temporary help	52,292	50,137	48,900	1,237
Library pages	20,398	21,379	20,500	879
Unemployment benefits	103	148	500	(352)
Reserves	0	0	32,788	(32,788)
Telephone services	1,378	1,632	1,500	132
Training	829	797	1,500	(703)
Advertising	1,065	745	750	(5)
Insurance and bond premiums	6,509	5,499	7,500	(2,001)
Utility charges	13,933	11,168	16,000	(4,832)
Other services	7,200	10,248	9,000	1,248
Office supplies	1,454	1,709	1,700	9
Postage	511	1,534	1,100	434
Gifts & memorials	248	146	100	46
Operation supplies	3,114	3,990	3,000	990
Building maintenance supplies	2,732	7,647	1,000	6,647
Cleaning supplies	267	535	400	135
Library media	25,090	19,137	26,000	(6,863)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND - 02
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			
	2013 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
Library materials	\$ 572	\$ 1,454	\$ 800	\$ 654
Children's programming	1,234	610	1,000	(390)
Adult programming	757	44	250	(206)
Miscellaneous	20	0	0	0
Computer equipment and software	4,794	5,021	4,000	1,021
Motor vehicle/equipment	94	866	200	666
Library books	3,684	7,212	6,000	1,212
Library materials	0	0	100	(100)
Refunds	121	115	100	15
	<u>217,215</u>	<u>233,039</u>	<u>266,188</u>	<u>(33,149)</u>
Operating transfers	<u>32,500</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Total expenditures and transfers subject to budget	<u>249,715</u>	<u>278,039</u>	<u>\$ 311,188</u>	<u>\$ (33,149)</u>
Receipts over (under) expenditures	16,765	(6,232)		
Unencumbered cash, January 1	<u>31,921</u>	<u>48,686</u>		
Unencumbered cash, December 31	<u>\$ 48,686</u>	<u>\$ 42,454</u>		

City of Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
EMPLOYEE BENEFIT FUND - 05
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance Over (Under)
	2013	Actual	Budget	
Cash receipts	Actual	Actual	Budget	
Taxes				
Ad valorem property tax	\$ 299,656	\$ 277,893	\$ 272,000	\$ 5,893
Back tax collections	7,340	12,714	5,000	7,714
Motor vehicle tax	31,268	32,656	29,539	3,117
In lieu of tax	1,280	887	500	387
	<u>339,544</u>	<u>324,150</u>	<u>307,039</u>	<u>17,111</u>
Use of money and property				
Interest on investments	<u>2,240</u>	<u>2,088</u>	<u>2,000</u>	<u>88</u>
Other				
Reimbursements	<u>45,897</u>	<u>56,395</u>	<u>44,000</u>	<u>12,395</u>
Operating transfers	<u>694,233</u>	<u>772,150</u>	<u>783,900</u>	<u>(11,750)</u>
Total cash receipts	<u>1,081,914</u>	<u>1,154,783</u>	<u>\$ 1,136,939</u>	<u>\$ 17,844</u>
Expenditures				
Final Benefits Payout	16,255	422	\$ 50,000	\$ (49,578)
HRA	24,539	35,756	75,000	(39,244)
Health Premiums	326,316	326,331	380,000	(53,669)
Cobra Insurance Premiums	11,787	17,826	16,000	1,826
Worker's compensation	85,831	82,928	95,000	(12,072)
FICA employer's contributions	212,766	213,417	232,000	(18,583)
KPERS employer's contributions	293,813	337,679	339,500	(1,821)
Section 125 payments	12,617	28,879	26,000	2,879
Unemployment	2,887	3,077	6,000	(2,923)
Training, travel, dues	269	53	400	(347)
Insurance	124	4,748	250	4,498
Employee assistance	4,213	9,556	1,000	8,556
Other contractual	1,196	1,449	1,500	(51)
Operational supplies	900	0	0	0
Miscellaneous	1,270	794	2,000	(1,206)
Employee development	14,926	13,748	20,000	(6,252)
	<u>1,009,709</u>	<u>1,076,663</u>	<u>1,244,650</u>	<u>(167,987)</u>
Appropriated reserve	<u>0</u>	<u>0</u>	<u>344,158</u>	<u>(344,158)</u>
Total expenditures subject to budget	<u>1,009,709</u>	<u>1,076,663</u>	<u>\$ 1,588,808</u>	<u>\$ (512,145)</u>
Receipts over (under) expenditures	72,205	78,120		
Unencumbered cash, January 1	<u>470,242</u>	<u>542,447</u>		
Unencumbered cash, December 31	<u>\$ 542,447</u>	<u>\$ 620,567</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER FUND - 07
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Taxes				
Sales Tax	\$ 1,445	\$ 1,643	\$ 1,500	\$ 143
Charges for services				
Season passes	20,390	19,855	20,000	(145)
Gate receipts	26,189	29,222	35,000	(5,778)
Coupon books	7,345	8,325	12,000	(3,675)
Concessions	16,549	18,349	20,000	(1,651)
Lessons	6,838	6,266	8,000	(1,734)
	<u>77,311</u>	<u>82,017</u>	<u>95,000</u>	<u>(12,983)</u>
Use of money and property				
Rentals	5,200	4,600	4,000	600
Interest on investments	712	580	500	80
	<u>5,912</u>	<u>5,180</u>	<u>4,500</u>	<u>680</u>
Other				
Reimbursed expenses	219	2,060	0	2,060
Operating transfers	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total cash receipts	<u>234,887</u>	<u>240,900</u>	<u>\$ 251,000</u>	<u>\$ (10,100)</u>
Expenditures				
Regular Salaries	46,534	51,191	\$ 51,200	\$ (9)
Temporary help	67,978	66,270	88,000	(21,730)
Overtime	3,941	4,219	5,000	(781)
Other personal services	829	838	900	(62)
Telephone	689	816	800	16
Training, travel, dues	889	1,665	1,500	165
Advertising	2,229	2,205	1,700	505
Insurance	5,585	7,432	4,800	2,632
Utilities	12,735	12,942	18,000	(5,058)
Other contractual	2,344	2,465	10,000	(7,535)
General supplies	56	30	200	(170)
Operational supplies	15,062	8,587	18,000	(9,413)
Equipment maintenance	532	4,478	2,000	2,478
Building & maintenance	1,299	118	12,000	(11,882)
Cleaning	53	5	300	(295)
Uniforms	2,124	1,961	2,500	(539)
Nonsufficient funds checks	79	77	0	77

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER FUND - 07
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
Expenditures - continued	Actual	Actual	Budget	Over (Under)
Concession supplies	\$ 8,948	\$ 9,250	\$ 13,000	\$ (3,750)
Equipment and plant	5,991	12,699	15,000	(2,301)
Refunds	800	33	0	33
Sales tax	<u>1,476</u>	<u>1,623</u>	<u>2,000</u>	<u>(377)</u>
	<u>180,173</u>	<u>188,904</u>	<u>246,900</u>	<u>(57,996)</u>
Operating transfers	<u>39,300</u>	<u>43,000</u>	<u>43,000</u>	<u>0</u>
Appropriated reserve	<u>0</u>	<u>0</u>	<u>136,173</u>	<u>(136,173)</u>
Total expenditures and transfers subject to budget	<u>219,473</u>	<u>231,904</u>	<u>\$ 426,073</u>	<u>\$ (194,169)</u>
Receipts over (under) expenditures	15,414	8,996		
Unencumbered cash, January 1	<u>198,223</u>	<u>213,637</u>		
Unencumbered cash, December 31	\$ <u>213,637</u>	\$ <u>222,633</u>		

City of Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
COMMUNITY CENTER - 08
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		<u>Variance Over (Under)</u>
	<u>2013 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash receipts				
Charges for services				
Rentals	\$ 21,313	\$ 25,206	\$ 18,200	\$ 7,006
Concessions	450	931	700	231
Ticket sales	4,942	6,430	6,500	(70)
Program and events	439	1,355	1,800	(445)
	<u>27,144</u>	<u>33,922</u>	<u>27,200</u>	<u>6,722</u>
 Intergovernmental				
Grants	<u>4,720</u>	<u>1,950</u>	<u>6,500</u>	<u>(4,550)</u>
 Use of money and property				
Interest on investments	<u>116</u>	<u>118</u>	<u>200</u>	<u>(82)</u>
 Fees				
Fees	<u>3,520</u>	<u>3,105</u>	<u>3,800</u>	<u>(695)</u>
 Other				
Donations	81	750	100	650
Reimbursed expenses	0	13	0	13
Sales Tax	39	82	50	32
Miscellaneous	120.00	0	0	0
	<u>240</u>	<u>845</u>	<u>150</u>	<u>695</u>
 Operating transfers	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>	<u>0</u>
 Total cash receipts	<u>113,740</u>	<u>117,940</u>	<u>\$ 115,850</u>	<u>\$ 2,090</u>
 Expenditures				
Full time salaries	45,426	47,418	\$ 49,600	\$ (2,182)
Part time help	6,343	5,807	9,200	(3,393)
Professional services	0	18	0	18
Telephone	1,418	1,610	1,600	10
Training and travel	622	190	750	(560)
Advertising	2,723	1,850	2,200	(350)
Insurance	5,439	5,825	6,000	(175)
Utilities	12,350	12,129	13,000	(871)
Other contractual	3,552	2,086	4,200	(2,114)
Event and program costs	8,561	5,366	11,000	(5,634)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2e

SPECIAL REVENUE FUNDS
COMMUNITY CENTER - 08
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Expenditures - continued				
General office supplies	\$ 0	\$ 108	\$ 300	\$ (192)
Postage	1,468	846	1,500	(654)
Gifts/memorials	33	15	0	15
Operating supplies	1,781	1,929	2,200	(271)
Building maintenance	3,379	2,087	3,600	(1,513)
Cleaning supplies	615	1,016	400	616
Concession supplies	241	376	350	26
Miscellaneous	329	(200)	100	(300)
Computer equipment and software	2,641	263	500	(237)
Sales tax	46	67	50	17
Real Estate Taxes	1,628	1,596	1,700	(104)
Summer programs part time help	2,540	1,660	3,000	(1,340)
Advertising	1,447	1,317	1,400	(83)
Summer program supplies	0	450	0	450
Operational supplies	839	884	900	(16)
Refunds	145	0	200	(200)
	<u>103,566</u>	<u>94,713</u>	<u>113,750</u>	<u>(19,037)</u>
Operating transfers	<u>13,333</u>	<u>10,500</u>	<u>10,500</u>	<u>0</u>
Appropriated reserve	<u>0</u>	<u>0</u>	<u>12,962</u>	<u>(12,962)</u>
 Total expenditures and transfers subject to budget	 <u>116,899</u>	 <u>105,213</u>	 <u>\$ 137,212</u>	 <u>\$ (31,999)</u>
 Receipts over (under) expenditures	 (3,159)	 12,727		
 Unencumbered cash, January 1	 <u>34,165</u>	 <u>31,006</u>		
 Unencumbered cash, December 31	 <u>\$ 31,006</u>	 <u>\$ 43,733</u>		

City of Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
STORM WATER MANAGEMENT - 12
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance Over (Under)
		2013 Actual	Actual Budget	
Cash receipts				
Charges for services				
Storm water management fees	\$	81,427	\$ 81,904 \$ 81,000	\$ 904
Use of money and property				
Interest on investments		797	659 700	(41)
Total cash receipts		82,224	82,563 \$ 81,700	\$ 863
Expenditures				
Full time salaries		14,241	31,644 \$ 21,000	\$ 10,644
Overtime		82	1,335 100	1,235
Other contractual		677	698 500	198
Construction materials		4,404	16,705 25,000	(8,295)
Lease payments		16,000	15,644 18,000	(2,356)
Equipment/plant		22,683	16,252 20,000	(3,748)
Storm water construction		0	25,000 30,000	(5,000)
		58,087	107,278 114,600	(7,322)
Operating transfers		15,000	29,000 29,000	0
Appropriated reserve		0	0 106,558	(106,558)
Total expenditures and transfers subject to budget		73,087	136,278 \$ 250,158	\$ (113,880)
Receipts over (under) expenditures		9,137	(53,715)	
Unencumbered cash, January 1		193,408	202,545	
Unencumbered cash, December 31	\$	202,545	\$ 148,830	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
SPECIAL PARK AND RECREATION FUND - 14
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		Variance Over (Under)	
	<u>2013 Actual</u>	<u>Actual</u>	<u>Budget</u>		
Cash receipts					
Intergovernmental					
Local liquor tax	\$ 10,986	\$ 13,913	\$ 10,000	\$ 3,913	
Use of money and property					
Interest on investment	<u>55</u>	<u>69</u>	<u>60</u>	<u>9</u>	
Total cash receipts	<u>11,041</u>	<u>13,982</u>	<u>\$ 10,060</u>	<u>\$ 3,922</u>	
Expenditures					
Other services	1,264	3,500	\$ 3,500	\$ 0	
Construction materials	2,250	2,500	2,500	0	
Appropriated reserve	<u>0</u>	<u>0</u>	<u>21,309</u>	<u>(21,309)</u>	
Total expenditures subject to budget	<u>3,514</u>	<u>6,000</u>	<u>\$ 27,309</u>	<u>\$ (21,309)</u>	
Receipts over (under) expenditures	7,527	7,982			
Unencumbered cash, January 1	<u>12,189</u>	<u>19,716</u>			
Unencumbered cash, December 31	\$ <u>19,716</u>	\$ <u>27,698</u>			

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
STREET REPAIR - SPECIAL HIGHWAY FUND - 17
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Taxes				
Gas tax	\$ 140,333	\$ 144,717	\$ 145,620	\$ (903)
Use of money and property				
Interest on investments	386	218	350	(132)
Total cash receipts	<u>140,719</u>	<u>144,935</u>	<u>\$ 145,970</u>	<u>\$ (1,035)</u>
Expenditures				
Full time salaries	25,432	8,527	\$ 26,500	\$ (17,973)
Overtime	246	168	400	(232)
Other contractual	0	1,750	5,000	(3,250)
Construction material	<u>127,032</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
	152,710	135,445	156,900	(21,455)
Operating transfers	4,000	4,820	4,820	0
Appropriated reserve	<u>0</u>	<u>0</u>	<u>25,216</u>	<u>(25,216)</u>
Total expenditures subject to budget	<u>156,710</u>	<u>140,265</u>	<u>\$ 186,936</u>	<u>\$ (46,671)</u>
Receipts over (under) expenditures	(15,991)	4,670		
Unencumbered cash, January 1	<u>65,616</u>	<u>49,625</u>		
Unencumbered cash, December 31	\$ <u>49,625</u>	\$ <u>54,295</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
TRANSIENT GUEST TAX - 20
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		<u>Variance</u>
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash receipts				
Taxes				
Transient guest tax	\$ 33,847	\$ 32,150	\$ 33,000	\$ (850)
Use of money and property				
Interest on investment	359	278	500	(222)
Total cash receipts	<u>34,206</u>	<u>32,428</u>	<u>\$ 33,500</u>	<u>\$ (1,072)</u>
Expenditures				
Other contractual	3,500	2,500	\$ 23,967	\$ (21,467)
Economic Development Chamber	10,000	3,750	15,000	(11,250)
Promotional campaigns	27,316	23,421	30,000	(6,579)
Professional Services	0	0	3,000	(3,000)
Miscellaneous	0	0	5,000	(5,000)
Appropriated Reserve	0	0	40,000	(40,000)
Total expenditures subject to budget	<u>40,816</u>	<u>29,671</u>	<u>\$ 116,967</u>	<u>\$ (87,296)</u>
Receipts over (under) expenditures	(6,610)	2,757		
Unencumbered cash, January 1	<u>94,967</u>	<u>88,357</u>		
Unencumbered cash, December 31	\$ <u>88,357</u>	\$ <u>91,114</u>		

City of Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
SPECIAL LAW ENFORCEMENT ACCOUNT - 18
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014 Actual
Cash receipts		
Interest on investment	\$ 23	\$ 16
Other		
Miscellaneous	1,413	7,391
Total cash receipts	1,436	7,407
Expenditures		
Miscellaneous	12,104	4,509
Total expenditures	12,104	4,509
Receipts over (under) expenditures	(10,668)	2,898
Unencumbered cash, January 1	12,532	1,864
Unencumbered cash, December 31	\$ 1,864	\$ 4,762

City of Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER EQUIPMENT RESERVE - 23
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Use of money and property		
Interest on investments	\$ 5,172	\$ 3,552
Total cash receipts	<u>5,172</u>	<u>3,552</u>
Expenditures		
Other contractual	0	152,022
Operating transfers	<u>150,000</u>	<u>150,000</u>
Total expenditures and transfers	<u>150,000</u>	<u>302,022</u>
Receipts over (under) expenditures	(144,828)	(298,470)
Unencumbered cash, January 1	<u>1,339,977</u>	<u>1,195,149</u>
Unencumbered cash, December 31	\$ <u><u>1,195,149</u></u>	\$ <u><u>896,679</u></u>

See Independent Auditor's Report.

City of Paola, Kansas**Schedule 21****SPECIAL PURPOSE FUNDS****ESCROW FUND - 46****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Escrow receipts	\$ <u>29,830</u>	\$ <u>68,700</u>
Total cash receipts	<u>29,830</u>	<u>68,700</u>
Expenditures		
Escrow disbursements	<u>52,840</u>	<u>67,750</u>
Total expenditures	<u>52,840</u>	<u>67,750</u>
Receipts over (under) expenditures	(23,010)	950
Unencumbered cash, January 1	<u>23,010</u>	<u>0</u>
Unencumbered cash, December 31	\$ <u><u>0</u></u>	\$ <u><u>950</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS

MENNENOAH CEMETERY - 47

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013	2014
	Actual	Actual
Cash receipts		
Use of money and property		
Interest on investment	\$ 145	\$ 119
Total cash receipts	<u>145</u>	<u>119</u>
Expenditures		
Capital improvements	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	145	119
Unencumbered cash, January 1	<u>36,923</u>	<u>37,068</u>
Unencumbered cash, December 31	\$ <u><u>37,068</u></u>	\$ <u><u>37,187</u></u>

City of Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
SPECIAL GRANTS FUND - 70
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
	Actual	Actual
Cash receipts		
Intergovernmental		
Grants/donations	\$ 2,049	\$ 12,544
Use of money and property		
Reimbursements	10,470	0
Operating transfers	<u>0</u>	<u>2,246</u>
Total cash receipts	<u>12,519</u>	<u>14,790</u>
Expenditures		
Other contractual	<u>2,341</u>	<u>11,955</u>
Total expenditures	<u>2,341</u>	<u>11,955</u>
Receipts over (under) expenditures	10,178	2,835
Unencumbered cash, January 1	<u>2,503</u>	<u>12,681</u>
Unencumbered cash, December 31	\$ <u><u>12,681</u></u>	\$ <u><u>15,516</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

**SPECIAL PURPOSE FUNDS
DRUG ENFORCEMENT ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Other		
Reimbursement	\$ 1,680	\$ 1,706
Expenditures		
Other services	<u>1,340</u>	<u>832</u>
Receipts over (under) expenditures	340	874
Unencumbered cash, January 1	<u>609</u>	<u>949</u>
Unencumbered cash, December 31	\$ <u><u>949</u></u>	\$ <u><u>1,823</u></u>

City of Paola, Kansas

Schedule 2p

SPECIAL PURPOSE FUNDS
LIBRARY GENEALOGY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Use of money and property		
Interest on investment	\$ 5	\$ 0
Expenditures		
Other supplies	<u>0</u>	<u>2,262</u>
Receipts over (under) expenditures	5	(2,262)
Unencumbered cash, January 1	<u>2,257</u>	<u>2,262</u>
Unencumbered cash, December 31	\$ <u><u>2,262</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

**DEBT SERVICE FUND
BOND & INTEREST - 06
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Taxes					
Ad valorem property tax	\$ 208,598	\$ 306,428	\$ 300,000	\$ 6,428	
Back tax collections	5,159	9,101	5,000	4,101	
Motor vehicle tax	21,866	22,731	20,561	2,170	
Special assessments	153,959	190,160	155,000	35,160	
In lieu of tax	891	978	900	78	
	<u>390,473</u>	<u>529,398</u>	<u>481,461</u>	<u>47,937</u>	
 Use of money and property					
Interest on investments	2,679	2,416	3,000	(584)	
Miscellaneous	10,200	3,160	50,000	(46,840)	
	<u>12,879</u>	<u>5,576</u>	<u>53,000</u>	<u>(47,424)</u>	
 Operating transfers	<u>1,438,917</u>	<u>1,479,848</u>	<u>1,529,918</u>	<u>(50,070)</u>	
 Total cash receipts	<u>1,842,269</u>	<u>2,014,822</u>	<u>\$ 2,064,379</u>	<u>\$ (49,557)</u>	
 Expenditures					
Bond principal	1,390,000	1,480,000	\$ 1,480,000	\$ 0	
Interest expense	577,139	531,794	531,794	0	
Other reserves	0	0	198,505	(198,505)	
	<u>1,967,139</u>	<u>2,011,794</u>	<u>\$ 2,210,299</u>	<u>\$ (198,505)</u>	
 Total expenditures and transfers subject to budget	<u>1,967,139</u>	<u>2,011,794</u>	<u>\$ 2,210,299</u>	<u>\$ (198,505)</u>	
 Receipts over (under) expenditures	(124,870)	3,028			
 Unencumbered cash, January 1	<u>277,960</u>	<u>153,090</u>			
 Unencumbered cash, December 31	<u>\$ 153,090</u>	<u>\$ 156,118</u>			

See Independent Auditor's Report.

City of Paola, Kansas**Schedule 2r****CAPITAL PROJECTS FUNDS
WASTE WATER TREATMENT PLANT CONSTRUCTION - 31
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	2013	2014
	<u>Actual</u>	<u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investments	\$ 3,020	\$ 2,471
Expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	3,020	2,471
Unencumbered cash (deficit), January 1	<u>769,709</u>	<u>772,729</u>
Unencumbered cash (deficit), December 31	\$ <u><u>772,729</u></u>	\$ <u><u>775,200</u></u>

See Independent Auditor's Report.

City of Paola, Kansas**Schedule 2s****CAPITAL PROJECTS FUNDS
EQUIPMENT REPLACEMENT - 80
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	2013	2014
	Actual	Actual
Cash receipts		
Other		
Miscellaneous	\$ 66,300	\$ 2,393
Total cash receipts	66,300	2,393
Expenditures		
Miscellaneous	72,939	5,548
Total expenditures	72,939	5,548
Receipts over (under) expenditures	(6,639)	(3,155)
Unencumbered cash (deficit), January 1	47,037	40,398
Unencumbered cash (deficit), December 31	\$ 40,398	\$ 37,243

City of Paola, Kansas

Schedule 2t

CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS - 90
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013	2014
	<u>Actual</u>	<u>Actual</u>
Cash receipts		
Taxes and shared revenues		
City sales tax	\$ 1,036,775	\$ 1,082,052
Other		
Interest	14,391	4,151
Miscellaneous	220,356	68,197
Reimbursements	3,662	5,426
Grants	21,770	138,859
Donations and gifts	78,958	72,057
Bond Proceeds	0	0
Operating transfers	<u>48,582</u>	<u>866,613</u>
	<u>387,719</u>	<u>1,155,303</u>
 Total cash receipts	 <u>1,424,494</u>	 <u>2,237,355</u>
 Expenditures		
Construction materials	55,278	402,685
Other contractual	411,821	1,499,764
Capital items	24,586	31,951
Professional Services	0	0
Miscellaneous capital items	18,156	0
Sales tax	21	0
Other	<u>35,152</u>	<u>152,757</u>
	545,014	2,087,157
 Operating transfers	 <u>1,006,960</u>	 <u>1,818,503</u>
 Total expenditures and transfers	 <u>1,551,974</u>	 <u>3,905,660</u>
 Receipts over (under) expenditures	 (127,480)	 (1,668,305)
 Unencumbered cash (deficit), January 1	 <u>2,559,495</u>	 <u>2,432,015</u>
 Unencumbered cash (deficit), December 31	 <u>\$ 2,432,015</u>	 <u>\$ 763,710</u>

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services				
Sale of water	\$ 1,673,692	\$ 1,683,568	\$ 1,950,000	\$ (266,432)
Water for resale	30,561	43,036	38,000	5,036
Sales tax	28,372	28,517	37,000	(8,483)
Tank sales	12,553	10,107	14,000	(3,893)
Installation charges	8,000	1,500	15,000	(13,500)
Connection fees	7,220	6,775	7,500	(725)
	<u>1,760,398</u>	<u>1,773,503</u>	<u>2,061,500</u>	<u>(287,997)</u>
Use of money and property				
Rentals	1,200	500	1,000	(500)
Interest on investments	737	360	1,000	(640)
	<u>1,937</u>	<u>860</u>	<u>2,000</u>	<u>(1,140)</u>
Other				
Reimbursed expenses	69,353	70,750	65,000	5,750
KS setoff reimbursement	8,538	6,839	6,000	839
Miscellaneous	0	350	0	350
Long/short	(11)	(31)	0	(31)
	<u>77,880</u>	<u>77,908</u>	<u>71,000</u>	<u>6,908</u>
Total cash receipts	<u>1,840,215</u>	<u>1,852,271</u>	<u>\$ 2,134,500</u>	<u>\$ (282,229)</u>
Expenditures				
Administration				
Full time salaries	80,104	62,640	\$ 86,000	\$ (23,360)
Overtime	0	186	50	136
Other personal services	2,484	2,512	2,500	12
Training, travel, dues	28	0	0	0
Insurance and bonds	11,830	11,030	13,200	(2,170)
Other contractual	4,335	4,376	5,000	(624)
General office supplies	33	342	750	(408)
Postage	4,245	4,723	4,500	223
Operational supplies	105	752	2,000	(1,248)
Gifts and Memorials	0	200	0	200
Miscellaneous	0	0	4,000	(4,000)
Computer equipment and software	0	0	0	0
Refunds	3,087	191	0	191
Sales tax remittance	36,661	41,363	37,000	4,363
	<u>142,912</u>	<u>128,315</u>	<u>155,000</u>	<u>(26,685)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Expenditures - continued				
Production				
Full time salaries	\$ 51,873	\$ 54,099	\$ 50,500	\$ 3,599
Overtime	228	915	1,000	(85)
Telephone services	420	417	1,000	(583)
Training, travel, dues	145	0	100	(100)
Utilities	5,486	5,054	2,500	2,554
Other contractual	295	0	1,000	(1,000)
Water purchase	1,279,874	1,423,891	1,430,000	(6,109)
Vehicle maintenance	0	0	0	0
Motor fuel and lubrication	292	264	500	(236)
Uniforms	316	282	250	32
	<u>1,338,929</u>	<u>1,484,922</u>	<u>1,486,850</u>	<u>(1,928)</u>
Distribution				
Full time salaries	90,706	57,792	91,000	(33,208)
Overtime	374	806	1,500	(694)
Tank maintenance	8,080	8,080	8,100	(20)
Telephone services	1,362	1,559	2,500	(941)
Training, travel, dues	2,000	720	2,000	(1,280)
Advertising	81	0	0	0
Lease payments	600	1,200	1,200	0
Legal printing	0	0	200	(200)
Utilities	1,387	1,602	3,000	(1,398)
Testing analytical	609	2,372	1,500	872
Other contractual	6,908	4,751	5,000	(249)
General office supplies	271	209	450	(241)
Postage	297	350	500	(150)
Operational supplies	39,967	24,372	30,000	(5,628)
Vehicle maintenance	2,368	815	2,500	(1,685)
Equipment maintenance	1,392	2,636	2,500	136
Building and maintenance	1,633	1,809	3,000	(1,191)
Construction materials	11,422	8,887	10,000	(1,113)
Motor fuel and lubrication	12,054	10,674	10,000	674
Uniforms	1,305	611	1,000	(389)
Computer equipment and software	0	498	1,000	(502)
Mains and meters	51,512	44,986	45,000	(14)
Motor vehicle/equipment	5,855	0	0	0
	<u>240,183</u>	<u>174,729</u>	<u>221,950</u>	<u>(47,221)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013	2014		Variance Over (Under)
		Actual	Budget	
Operating transfers	\$ <u>185,100</u>	\$ <u>129,250</u>	\$ <u>191,000</u>	\$ <u>(61,750)</u>
Appropriated reserve	<u>0</u>	<u>0</u>	<u>357,543</u>	<u>(357,543)</u>
Total expenditures and transfers subject to budget	<u>1,907,124</u>	<u>1,917,216</u>	<u>\$ 2,412,343</u>	<u>\$ (495,127)</u>
Receipts over (under) expenditures	(66,909)	(64,945)		
Unencumbered cash, January 1	<u>228,468</u>	<u>161,559</u>		
Unencumbered cash, December 31	\$ <u><u>161,559</u></u>	\$ <u><u>96,614</u></u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
WATER TREATMENT PLANT FUND - 15
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over (Under)
Cash receipts				
Use of money and property				
Interest	\$ 1,047	\$ 856	\$ 1,600	\$ (744)
Total cash receipts	<u>1,047</u>	<u>856</u>	<u>\$ 1,600</u>	<u>\$ (744)</u>
Expenditures				
Capital improvements	<u>0</u>	<u>0</u>	<u>\$ 270,017</u>	<u>\$ (270,017)</u>
Total expenditures and transfers subject to budget	<u>0</u>	<u>0</u>	<u>\$ 270,017</u>	<u>\$ (270,017)</u>
Receipts over (under) expenditures	1,047	856		
Unencumbered cash, January 1	<u>266,817</u>	<u>267,864</u>		
Unencumbered cash, December 31	\$ <u>267,864</u>	\$ <u>268,720</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Charges for services					
Inspection charges	\$ 200	\$ 230	\$ 900	\$ (670)	
Sewer lagoon dumping	231	16,719	400	16,319	
Sewer service charges	<u>671,847</u>	<u>685,600</u>	<u>695,000</u>	<u>(9,400)</u>	
	<u>672,278</u>	<u>702,549</u>	<u>696,300</u>	<u>6,249</u>	
 Use of money and property					
Interest on investments	<u>534</u>	<u>532</u>	<u>700</u>	<u>(168)</u>	
 Other					
Operating transfers	30,000	30,000	30,000	0	
Reimbursed expenses	<u>13,783</u>	<u>4,345</u>	<u>2,000</u>	<u>2,345</u>	
	<u>43,783</u>	<u>34,345</u>	<u>32,000</u>	<u>2,345</u>	
 Total cash receipts	<u>716,595</u>	<u>737,426</u>	<u>\$ 729,000</u>	<u>\$ 8,426</u>	
 Expenditures					
Administration					
Full time salaries	101,322	96,806	\$ 106,500	\$ (9,694)	
Overtime	0	186	0	186	
Other personal services	2,484	2,512	3,500	(988)	
Training, Travel, Dues	0	0	1,500	(1,500)	
Insurance	20,549	19,335	22,500	(3,165)	
Other contractual	4,139	4,173	3,000	1,173	
General office supplies	33	342	750	(408)	
Postage	4,245	4,723	4,500	223	
Miscellaneous	0	393	0	393	
Computer software and equipment	<u>0</u>	<u>0</u>	<u>1,250</u>	<u>(1,250)</u>	
	<u>132,772</u>	<u>128,470</u>	<u>143,500</u>	<u>(15,030)</u>	
 Production					
Full time salaries	51,770	57,278	58,000	(722)	
Overtime	1,564	999	1,500	(501)	
Telephone services	839	744	1,300	(556)	
Training, travel, dues	722	258	2,000	(1,742)	
Advertising	81	0	0	0	
Utilities	65,299	72,025	73,000	(975)	
Testing and analytical	7,363	8,109	10,000	(1,891)	
Other contractual	531	4,454	3,000	1,454	
General office supplies	154	82	200	(118)	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			
	2013			Variance
	Actual	Actual	Budget	Over (Under)
Expenditures - continued				
Production - continued				
Postage	\$ 0	\$ 0	\$ 0	\$ 0
Operational supplies	16,876	14,166	19,000	(4,834)
Vehicle maintenance	9	699	500	199
Equipment maintenance	5,076	1,253	1,500	(247)
Building maintenance	1,420	986	1,500	(514)
Motor fuel and lubricants	2,451	2,912	3,000	(88)
Uniforms	295	314	800	(486)
Equipment, building and grounds	1,808	9,332	10,000	(668)
	<u>156,258</u>	<u>173,611</u>	<u>185,300</u>	<u>(11,689)</u>
Distribution				
Full time salaries	156,766	181,446	161,000	20,446
Overtime	580	2,241	1,000	1,241
Professional services	0	0	1,000	(1,000)
Telephone services	2,182	2,328	2,250	78
Training, travel, dues	1,000	1,326	1,000	326
Lease Payments	600	1,200	1,200	0
Utilities	6,098	6,671	7,000	(329)
Other contractual	2,051	1,608	3,000	(1,392)
General office supplies	330	213	1,000	(787)
Postage	24	0	50	(50)
Operational supplies	12,674	6,321	10,500	(4,179)
Vehicle maintenance	1,049	929	1,500	(571)
Equipment maintenance	4,432	8,003	8,000	3
Building maintenance	1,850	713	2,500	(1,787)
Construction materials	10	2,056	5,000	(2,944)
Motor fuel and lubricants	10,663	10,572	12,000	(1,428)
Uniforms	1,446	1,250	800	450
Computer equipment and software	59	0	0	0
Distribution lines	34,358	35,779	40,000	(4,221)
	<u>236,172</u>	<u>262,656</u>	<u>258,800</u>	<u>3,856</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Expenditures - continued				
Operating transfers	\$ 140,000	\$ 166,330	\$ 166,330	\$ 0
Appropriated reserve	0	0	119,837	(119,837)
Total expenditures and transfers subject to budget	<u>665,202</u>	<u>731,067</u>	<u>873,767</u>	<u>(142,700)</u>
Receipts over (under) expenditures	51,393	6,359		
Unencumbered cash, January 1	<u>121,879</u>	<u>173,272</u>		
Unencumbered cash, December 31	\$ <u>173,272</u>	\$ <u>179,631</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2x

BUSINESS FUNDS
SEWER LINE REPLACEMENT - 11
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Use of money and property				
Interest on investments	\$ 609	\$ 521	\$ 600	\$ (79)
Operating transfers	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total cash receipts	<u>7,609</u>	<u>7,521</u>	<u>7,600</u>	<u>(79)</u>
Expenditures				
Contractual	<u>0</u>	<u>0</u>	<u>168,219</u>	<u>(168,219)</u>
Receipts over (under) expenditures	7,609	7,521		
Unencumbered cash, January 1	<u>153,019</u>	<u>160,628</u>		
Unencumbered cash, December 31	\$ <u>160,628</u>	\$ <u>168,149</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2y

BUSINESS FUNDS
WASTEWATER TREATMENT PLANT - 16
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Charges for services					
Connect & disconnect	\$ 3,300	\$ 4,950	\$ 9,900	\$ (4,950)	
Sewer service charge	421,192	423,992	435,000	(11,008)	
	<u>424,492</u>	<u>428,942</u>	<u>444,900</u>	<u>(15,958)</u>	
 Use of money and property					
Interest income	2,822	1,961	3,000	(1,039)	
 Total cash receipts	<u>427,314</u>	<u>430,903</u>	<u>\$ 447,900</u>	<u>\$ (16,997)</u>	
 Expenditures					
Full time salaries	56,737	57,384	\$ 83,000	\$ (25,616)	
Overtime	180	120	750	(630)	
Lease	0	8,000	8,000	0	
Other contractual	13,909	2,627	15,000	(12,373)	
Motor Fuel & Lube	0	0	2,000	(2,000)	
Operational supplies	4,723	116	8,000	(7,884)	
Miscellaneous	0	9,128	10,000	(872)	
Equipment/plant	31,284	21,180	58,000	(36,820)	
	<u>106,833</u>	<u>98,555</u>	<u>184,750</u>	<u>(86,195)</u>	
 Operating transfer	376,957	470,458	470,457	1	
Appropriated reserve	<u>0</u>	<u>0</u>	<u>423,505</u>	<u>(423,505)</u>	
 Total expenditures and transfers subject to budget	<u>483,790</u>	<u>569,013</u>	<u>\$ 1,078,712</u>	<u>\$ (509,699)</u>	
 Receipts over (under) expenditures	(56,476)	(138,110)			
 Unencumbered cash, January 1	<u>719,670</u>	<u>663,194</u>			
 Unencumbered cash, December 31	<u>\$ 663,194</u>	<u>\$ 525,084</u>			

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2z

**BUSINESS FUNDS
HEALTH AND SANITATION FUND - 13
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Charges for services					
Haulers' permits	\$ 675	\$ 675	\$ 300	\$ 375	
Landfill charges and collections	335,233	336,976	345,500	(8,524)	
	<u>335,908</u>	<u>337,651</u>	<u>345,800</u>	<u>(8,149)</u>	
Use of money and property					
KS setoff reimbursement	262	293	200	93	
Interest on investments	47	77	50	27	
	<u>309</u>	<u>370</u>	<u>250</u>	<u>120</u>	
Fees	<u>300</u>	<u>300</u>	<u>200</u>	<u>100</u>	
Total cash receipts	<u>336,517</u>	<u>338,321</u>	\$ <u>346,250</u>	\$ <u>(8,022)</u>	
Expenditures					
Full time salaries	9,350	9,155	\$ 12,000	\$ (2,845)	
Overtime	0	62	0	62	
Advertising	528	550	750	(200)	
Insurance	2,122	1,075	2,500	(1,425)	
Other contractual	304,396	314,862	316,000	(1,138)	
General office supplies	0	342	0	342	
Pay sticker expense	0	675	0	675	
	<u>316,396</u>	<u>326,721</u>	<u>331,250</u>	<u>(4,529)</u>	
Operating transfers	<u>4,000</u>	<u>6,250</u>	<u>6,250</u>	<u>0</u>	
Appropriated reserve	<u>0</u>	<u>0</u>	<u>31,104</u>	<u>(31,104)</u>	
Total expenditures and transfers subject to budget	<u>320,396</u>	<u>332,971</u>	\$ <u>368,604</u>	\$ <u>(35,633)</u>	
Receipts over (under) expenditures	16,121	5,350			
Unencumbered cash, January 1	<u>6,779</u>	<u>22,900</u>			
Unencumbered cash, December 31	\$ <u>22,900</u>	\$ <u>28,250</u>			

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2014

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Police bond	\$ 6,381	\$ 428,746	\$ 428,696	\$ 6,431
Payroll withholding	<u>6,405</u>	<u>333,636</u>	<u>324,896</u>	<u>15,145</u>
	<u>\$ 12,786</u>	<u>\$ 762,382</u>	<u>\$ 753,592</u>	<u>\$ 21,576</u>